

## THE ELECTRIC THEORY.

After a peace, not only between this country and foreign powers, but also between rival domestic manufacturing corporations, seems about to succeed to the wars and rumors of wars which have disturbed Wall Street, more or less, ever since the appearance of the President's Venezuela boundary message. It has become quite evident that public sentiment in Great Britain will not sustain Lord Salisbury in his refusal to arbitrate with Venezuela, nobody has ever seriously believed that we shall provoke a conflict with Turkey on behalf of the Armenians, and neither has Congress done anything yet with regard to the Cuban revolutionists, nor is it likely to do anything, which Spain can make a cause of war. Fears of collision with these nations have, consequently, nearly vanished, and, as to the good feeling thus created, has come the announcement that the General Electric and the Westinghouse Manufacturing companies have made a treaty of peace, which, if nothing more, will put an end to the Hispania in which the two have been so long engaged.

As usual, the speculators for a rise in the General Electric stock, who had early information of the negotiations which have resulted in the peace just announced, overestimated its beneficial effect upon the price of the stock, and since last January, had been gradually going up from 22 to 35, jumped, upon the news of the making of the treaty, nearly to 40, but immediately receded and closed finally on Saturday at 37. This shows that the uninformed public is not convinced that the cessation of the war between the two companies guarantees anything more than a cessation of the losses resulting from the previous hostilities. Whether, eventually, positive profits will be reaped, is not yet certain. The common stock of the General Electric Company amounts to \$30,460,000, besides preferred stock of \$4,500,000, and 5 per cent. gold debentures of \$8,000,000. No dividends on the common stock have been paid since August, 1893, and none on the preferred since October, 1893. How soon they will be resumed on either, it is not safe to predict.

The next event to be expected is the announcement that the American Tobacco Company has come to an agreement with its competitors, and has made peace with them as the General Electric has made peace with the Westinghouse company. Rumors that such a result is impending, similar to the rumors which preceded the electric settlement, have lately been afloat, and have sent the price of Tobacco stock from below 70 up to 83 and above. There is every reason for assuming that they are well founded. Nothing but the desire of forcing an abandonment of hostilities could have led to the various cuts which the American Company has lately made in the prices of its products, and both parties are naturally well disposed to the restoration of the old scale. If the restoration is delayed, it will be in consequence of a disagreement, not as to its desirability, but solely as to the terms on which it shall be made.

Another precedent for such an ending to the tobacco war is the joint traffic agreement of the American and Canadian companies, which took effect at the beginning of this year. How injurious to these companies was the competition in which they were engaged had long been seen. The destruction it has wrought in the value, both of their stocks and of their bonds, is recorded not alone in the prices made at the Stock Exchange, but in the painful consciousness of hundreds of thousands of investors who have seen their former dividends dwindle to nothing, or next to nothing, and their bond-interest coupons paid irregularly and often not at all. The recent increase in the value of the stock of the American, Milwaukee and St. Paul Railroad Company, is a full endorsement of the wisdom of the present investors, proving, as it does, a possibility of the coming of better times for them, and a few other similar increases will do much toward inspiring confidence in the financial future.

Warfare is, indeed, the natural condition of the world. The struggle for existence and the survival of the fittest are the principles of the earliest times, religion, philosophy, science, and philanthropy have labored assiduously to diminish the suffering it occasions, and to substitute for it a less painful method of reaching the results to which it leads. All that has been accomplished thus far has been mitigation and not extinction. Nations still make war upon nations, individual men beat, maim, and murder individual men, and though crimes of violence have become less frequent, they have been supplemented by frauds, thefts, and, in business affairs, by a competition which, as we see, produces suffering and hardship to bear as blows, wounds, and highway robbery.

Nor are the means employed to suppress business competition, even when successful, altogether without mischievous tendencies of their own. Trades unions have nearly put an end to the struggle between skilled laborers for employment and to the lowering of wages which this struggle entails, but they have also created a monopoly of much of his freedom, and, if he has unusual skill, of the full measure of compensation which he would otherwise obtain. In commerce and manufactures similar combinations protect those engaged in them from a reduction of their profits, but they kill enterprise, check invention, and increase the burdens of consumers. Hence the legislation in modern times intended to prevent such combinations and the hostility to them of public opinion. Monopolies are always odious, and are always liable to overthrow as soon as their true character is perceived.

One peculiarly dangerous element in the monopoly which the new alliance of the General Electric with the Westinghouse company tends to create is that it is supported mainly by the possession of important patent rights, which are themselves monopolies of the most stringent kind. In fact, the reason why the alliance was that each one of the high contracting parties owned patents without which no other company could carry on its business. Hereafter, therefore, the two combined can prevent all rivals from manufacturing, on any but virtually prohibitive terms, the machines and apparatus to which their combined patents are essential. The temptation to abuse the power thus created will be enormous, and only the wisest discretion in its exercise, such as, for example, has marked the management of the monopoly by the Standard Oil Trust of the petroleum supply of the country, will avert legislative attempts to curtail its power.

It is a question, indeed, whether the time has not come to abolish altogether our patent laws, and to recompense in some other way than by giving them monopolies the inventors of new contrivances and processes. When our Federal Constitution was adopted, a century ago, venting in Congress the power of "securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries," it was expressly said to be done "to promote the progress of science and the useful arts." At that date steam had not been applied to the propulsion either of ships or of vehicles on land; the cotton gin was unknown; electricity was a mere scientific plaything, and chemistry but little further advanced than the alchemy of the middle ages. Nor were the requirements of domestic life so varied and so numerous as they are today, and the progress of the machinery and all the processes of modern manufacture were of the simplest character. The inventor had before him an unexplored waste, with little or no experience to guide him, and he had, like the pioneer settlers on our Western lands, to break his own path.

How wonderfully everything has changed since then is a matter of frequent comment. The arts and sciences have not only advanced, but they have become so manifold and complex as to defy the mastery of any single intellect. The processes of manufacture, as well as the machinery for conducting them, have been multiplied and diversified to such an extent that into every-day life a wealth of contrivance has been introduced which from luxuries have passed into necessities, and add to the comfort of the housekeeper as much as they do to the comforts of the home. On the details and items of all this progress, the daily life of the masses, which, as Sydney Smith said of the masses of Great Britain in his famous warning

to this country, impose "taxes upon every article which enters into the mouth, or covers the back, or is placed under the foot—taxes upon everything which it is pleasant to see, hear, feel, smell, or taste—taxes upon every right, and, in locomotion," not only do they thus burden consumers, but in the hands of ingenious manipulators they are made instruments for harassing innocent infringers, and for impeding the improvement they were created to promote. For a multitude of modern inventions, too, the inventors deserve little or no respect. Some of them are lucky accidents, like picking up a coin or a jewel dropped upon the highway, others are trifling modifications of earlier inventions, costing scarcely any exercise of ingenuity, and all of them are based upon previous contributions to general knowledge of a host of workers in various fields of research. Undoubtedly, if a man patiently works out an elaborate piece of machinery, such as a Hoe perfecting press, and expends in constructing it much time and money, it is but right that he should be protected in the exclusive use of it, when, as is often the case, he merely puts a familiar device, in a new use, or he drops down a pipe to draw water from the earth, and bases his claim to a patent upon a priority in time of a day or a week, the justice of giving him a monopoly of that use cannot be maintained. In chemical processes particularly, the inventor cannot dispense with results previously obtained by other experimenters in the same field, and rarely or never is he morally entitled to patent his discoveries. For instance, to patent the cyanide process for extracting gold from ore, is like patenting the use of salt for a new kind of animal food.

Still, there is no likelihood that our present patent laws will be repealed before the electrical devices now controlled by the combined General Electric and Westinghouse companies expire. In the facilities for manufacturing electrical appliances which they derive from their large capital, and in their command of the best intellects in the country, they have, besides, an advantage over their competitors, of which nobody can deprive them. Now that they are going to devote themselves less to warring upon each other, and more to earning dividends for their stockholders, they will have an opportunity of demonstrating that a legitimate business can be profitable without being extortionate.

MATTHEW MARSHALL.

## FINANCIAL AND COMMERCIAL.

New York Stock Exchange—Sales and Range of Prices on All Securities Dealt in During the Week Ending March 14, 1908.

UNITED STATES AND STATE BONDS (IN \$1,000s).

Sales.	Time.	Open.	High.	Low.	Close.
11000 U. S. 4s, 1907.	100%	100%	100%	100%	100%
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RAILROAD AND OTHER BONDS (IN \$1,000s).

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1	Long Int 4s	101 1/2	101 1/2	101 1/2	101 1/2
4	U. S. A. & C. 4s	101 1/2	101 1/2	101 1/2	101 1/2
46	U. S. A. & C. 4s	7 3/4	7 3/4	7 3/4	7 3/4
50	Mo. K. & T. 1st	92	92 1/2	92	92 1/2
4	Mo. K. & T. 1st	7 1/2	7 1/2	7 1/2	7 1/2
22	Mex Int 4s	7 1/4	7 1/4	7 1/4	7 1/4
7	Minn. & St. L. 4s	101 1/2	101 1/2	101 1/2	101 1/2
2	Minn. & St. L. 1st Pae	118 1/2	118 1/2	118 1/2	118 1/2
2	Morris & Escon	141 1/2	141 1/2	141 1/2	141 1/2